GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6797
ANSWERED ON:10.05.2002
GRANT IN AID
PRABHUNATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government are releasing grants-in-aid to States, Union Territories and other statutory bodies and non-government institutions;

(b) if so, whether the statutory bodies and non-government bodies are required to submit the certificates of utilisation of grants; but many of them are not submitting the same and yet the grants are released to them; and

(c) if so, the reasons therefor with the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (c): As per the recommendations of the Eleventh Finance Commission (EFC), grants-in-aid are being released to States by the Ministry of Finance. The EFC has recommended grants-in-aid to States to cover the estimated deficit on non-plan revenue account for each year of the EFC award period 2000-2005. Besides, grants for specific purposes like upgradation and special problems, local bodies, natural calamities and incentive grants for fiscal reforms are also being released to States by the Ministry of Finance. As per the guidelines for utilization of these grants, the releases are to be made subject to fulfillment of certain conditionalities which also include submission of utilization certificates of grants previously released. For release of non-plan revenue deficit grants, no utilization certificates are required since these are untied grants.